

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 98-696

March 9, 1999

CENTRAL MAINE POWER COMPANY  
Request for Approval of Affiliated  
Interest Transaction (Application  
for Approval of Amendments to Services  
Agreements)

ORDER

WELCH, Chairman; NUGENT, and DIAMOND Commissioners

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**I. SUMMARY**

In this Order, we approve a Services Agreement between CMP Group, Inc. and Central Maine Power Company (CMP). This Agreement replaces the Audit Services Agreement between CMP and CMP Group, Inc. approved by the Commission in its Order of July 6, 1998 in Docket No. 97-930, Central Maine Power Company, Application for Approval of Reorganizations under Section 708, of Transactions with Affiliated Interests under Section 707, and of Transfers of Assets under Section 1101 of Title 35-A M.R.S.A.

**II. BACKGROUND**

On September 9, 1998, CMP filed an Application for Approval of Amendments to Service Agreements. CMP proposed to amend the Management Services Agreement approved in the July 6 Order in Docket No. 97-930 between CMP and its competitive marketing affiliate, MainePower. CMP further proposed to amend the Audit Services Agreement between CMP and CMP Group, Inc., approved by the Commission on July 6, so that CMP Group, Inc. can provide services to CMP in addition to audit services.

On October 5, 1998, the Public Advocate and CMP filed a stipulation that would have allowed both Agreements to go into effect, with certain conditions. The Advisors had questions about the stipulation. The Hearing Examiner attempted to set a date for a Conference of Counsel but was unsuccessful due to the press of other matters at CMP. Before such a conference could be arranged, CMP Group, Inc. announced on December 22, 1998 that it was shutting down its MainePower subsidiary.

Given this change, the Hearing Examiner issued a Procedural Order on February 12, 1999, asking CMP to notify the Commission as to what approvals it is now seeking. CMP responded on February 23, 1999, that it no longer seeks amendments to the Management Services Agreement between CMP and MainePower. It continues to seek approval of the Services Agreement with CMP Group, Inc. Based on this response, we will not consider the stipulation, as its provisions include the withdrawn request. We note, however, that the Public Advocate did not oppose the proposed changes to the Services Agreement.

### **III. DISCUSSION and DECISION**

In our July 6, 1998 Order in Docket No. 97-930, we approved an agreement that allowed CMP Group, Inc. to provide auditing services to CMP and other entities in the holding company. CMP now requests that CMP Group, Inc. be allowed to provide governmental affairs services, including community relations and lobbying, as well as limited secretarial services to CMP, under the same terms contained in the earlier agreement.

According to CMP's filing, CMP's 6-person Governmental Affairs Department has been transferred to CMP Group, Inc. CMP states that although most of the work it will perform will be for CMP Group, Inc., CMP may request certain community relations functions in connection with transmission line siting, lobbying on legislation solely involving the transmission and distribution company and other matters unique to the T&D Company. CMP also asks that one secretary who works for an officer of CMP Group, Inc. be permitted to continue to work for two attorneys employed by CMP. In other respects, the Services Agreement is the same as the audit agreement approved in July 1998.

We approve the Services Agreement with the limited changes, described above, to the agreement we previously approved, as it is consistent with the requirements of 35-A M.R.S.A. §707(3) and Chapter 820. We note that if MainePower begins business operations again, CMP Group, Inc. employees will not be permitted to provide governmental affair services to MainePower either directly, or indirectly, through CMP.

Accordingly, we

### **O R D E R**

That the Services Agreement between CMP Group, Inc. and Central Maine Power, Attachment B to CMP's September 4, 1998 filing in this Docket, is approved.

Dated at Augusta, Maine this 9th day of March, 1999.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.